



**DoD Source Selection  
Procedures Changes;  
Mythbusting; Competition;  
Efficiency Initiatives;  
Section 813 Contracting  
Integrity Panel**

**15 - 18 August  
2011**

# Efficiency Initiatives Overview

- **DISA is committed to the Federal Government's and DoD's objectives to promote an efficient, effective, and accountable government.**
- **Some of the procurement initiatives which support the efficiency initiatives include:**
  - Improving Competition
  - Improving Government and Industry Communication – “Mythbusting” and
  - Standardization of DoD Source Selection Procedures

# Efficiency Initiatives

- **Twenty-three principals initiatives organized into five areas**
  - Targeting affordability and controlling costs
  - Incentivizing productivity and innovation
  - Promoting competition
  - Improving the execution of service acquisitions
  - Reducing non-productive processes
- **USD(AT&L) Efficiency Initiative Objectives**
  - Deliver the capability we need for the dollars we have
  - Get better buying power for warfighter and taxpayer
  - Restore affordability to defense goods and services
  - Improve defense industry productivity
  - Remove government impediments to leanness
  - Avoid program turbulence
  - Maintain a vibrant and financially healthy defense industry

# Guidance Roadmap

- **Target Affordability and Control Cost Growth**
  - Mandate affordability as a requirement
    - At MS A (aka Technology Development Decision)  
set affordability target as a Key Performance Parameter
    - At MS B (aka Product Development Decision)  
establish engineering trades showing how each  
key design feature affects the target cost
  - Drive productivity growth through Will Cost/Should  
Cost management
    - Eliminate redundancy within warfighter portfolios
    - Make production rates economical and hold them stable
    - Set shorter program timelines and manage to them

•Blue = PM

- **Incentivize Productivity & Innovation in Industry**
  - Reward contractors for successful supply chain and indirect expense management
  - Increase the use of FPIF contract type where appropriate using a 50/50 share line and 120 percent ceiling as a point of departure
  - Adjust progress payments to incentivize performance
  - Extend the Navy's preferred supplier program to a DoD-wide pilot
  - Reinvigorate industry's independent research and development and protect the defense technology base

•Red = Contracting

•Purple = Joint PM/Contracting

•Green = OSD

# Guidance Roadmap

- **Promote Real Competition**
  - Present competitive strategy at each program milestone
  - Remove obstacles to competition
    - Allow reasonable time to bid
    - Require non-certified cost and pricing data on single offers
    - Require open system architectures and set rules for acquisition of technical data rights
  - Increase dynamic small business role in defense marketplace competition

•Blue = PM

•Red = Contracting

•Purple = Joint PM/Contracting

# Guidance Roadmap

- **Improve Tradecraft in Acquisition of Services**
  - Create a senior manager for acquisition of services in each component, following the Air Force's example
  - Adopt uniform taxonomy for different types of services
  - Address causes of poor tradecraft in services acquisition
  - Assist users of services to define requirements and prevent creep via requirements templates
  - Assist users of services to conduct market research to support competition and pricing

•Red = Contracting

•Orange = Components and ODAs (and requiring activities)

# Guidance Roadmap

- **Improve Tradecraft in Acquisition of Services**
  - Enhance competition by requiring more frequent re-compete of knowledge-based services
  - Limit the use of time and materials and award fee contracts for services
  - Require that services contracts exceeding \$1B contain cost efficiency objectives
  - Increase small business participation in providing services

•Red = Contracting

- **Reduce Non-Productive Processes and Bureaucracy**
  - Reduce the number of OSD-level reviews to that necessary to support major investment decisions or to investigate and respond to significant program execution issues
  - Eliminate low-value-added statutory processes
  - Reduce by half the volume and cost of internal and congressional reports
  - Reduce non-value-added overhead imposed on industry

•Red = Contracting

•Green = OSD

- **Reduce Non-Productive Processes and Bureaucracy**
  - Align DCMA and DCAA processes to ensure work is complementary
  - Increase use of Forward Pricing Rate Recommendations (FPRRs) to reduce administrative costs

•Red = Contracting

•Green = OSD

# Promoting Real Competition

- Avoid directed buys and other substitutes for real competition
  - Effective competition – single offeror awards
  - Closely monitored both overall competition and effective competition
  - Identify overly restrictive requirements
  - Enforce the “30-day rule”
  - Negotiate in the absence of effective competition
- Use of technical data packages and open systems architectures to support a continuous competitive environment

# White House Seeks to Bust Myths About Talking to Contractors

- **December 2010 - White House memo encourages procurement officers to communicate with contractors before finalizing solicitations, in an effort to dispel misperceptions about conflicts of interest.**
  - “the contracting officer should communicate to vendors as much information as possible about the government's needs as early as possible...”

# White House Seeks to Bust Myths About Talking to Contractors

- **Report aims at dispelling what it sees as widely held myths about dealing with contractors. Examples of such:**
  - *“We can't meet one-on-one with a potential offeror”*
  - *“Restricting communication will prevent a protest”*
  - *“Conducting discussions or negotiations after receipt of proposals will add too much time to the schedule”*
  - *“When the government awards a task or delivery order using the Federal Supply Schedules, debriefing the offerors isn't required so it shouldn't be done.”*

# White House Seeks to Bust Myths About Talking to Contractors

- *"Giving industry only a few days to respond to an RFP is OK since the government has been talking to industry about this procurement for over a year."*



- **Links:**

- [http://www.govexec.com/story\\_page.cfm?articleid=47020&dcn=e\\_gvet](http://www.govexec.com/story_page.cfm?articleid=47020&dcn=e_gvet)
- <http://www.cio.gov/documents/25-Point-Implementation-Plan-to-Reform-Federal%20IT.pdf>

# White House Seeks to Bust Myths About Talking to Contractors

- **Examples of ensuring of how the myth is being dispelled:**
  - One-on-Ones - ASSIST Industry Days - 28 & 29 June 2011 - Approximately 20 firms met one-on-one with DISA teams in Hanover, MD
  - Conducting discussions or not conducting discussions may prompt a protest - it's not axiomatic that the latter leads to a protest
    - Example: Base Operating Services - Performance-Price Tradeoff - no discussions, no protest - technically acceptable offeror with highest confidence rating and lowest price was awarded the contract in July 2010
  - COs and Program Managers must continually weigh the risks of time dedicated to discussions versus time dedicated to resolving a protest - countless examples
  - True statement: FAR Part 8.405-2(d) indicates that "a brief explanation of the basis for the award decision" is due to vendors if award was based on more than price, but the award explanation may at the CO's discretion include the points noted in FAR 15.506(d)
  - Commercial item/services procurements may in fact allow for a shortened response period from vendors - non-commercial items or services need to follow FAR rules

## FAR Part 15 Source Selection

- **This briefing will address:**
  - What's changing?
  - When is it changing?
  - How does that affect me?
  - What are some of the changes we can expect to see?

**DOD issued standardized source selection procedures in March 2011. PLD/DITCO supplemented the DOD procedures in April 2011.**



## When is it changing?

**New DoD FAR Part 15 source selection guidance and templates are available!**

**New procedures are in effect!**



# How do new procedures affect me?

**Are you a program manager or project leader? You now have updated guidance with a corresponding template!**



# What changes can you expect to see?

- **DISA implemented standardized procedures in October 2009, so most of the changes implemented as a result of the DOD procedures are minor**

# Source Selection Organization

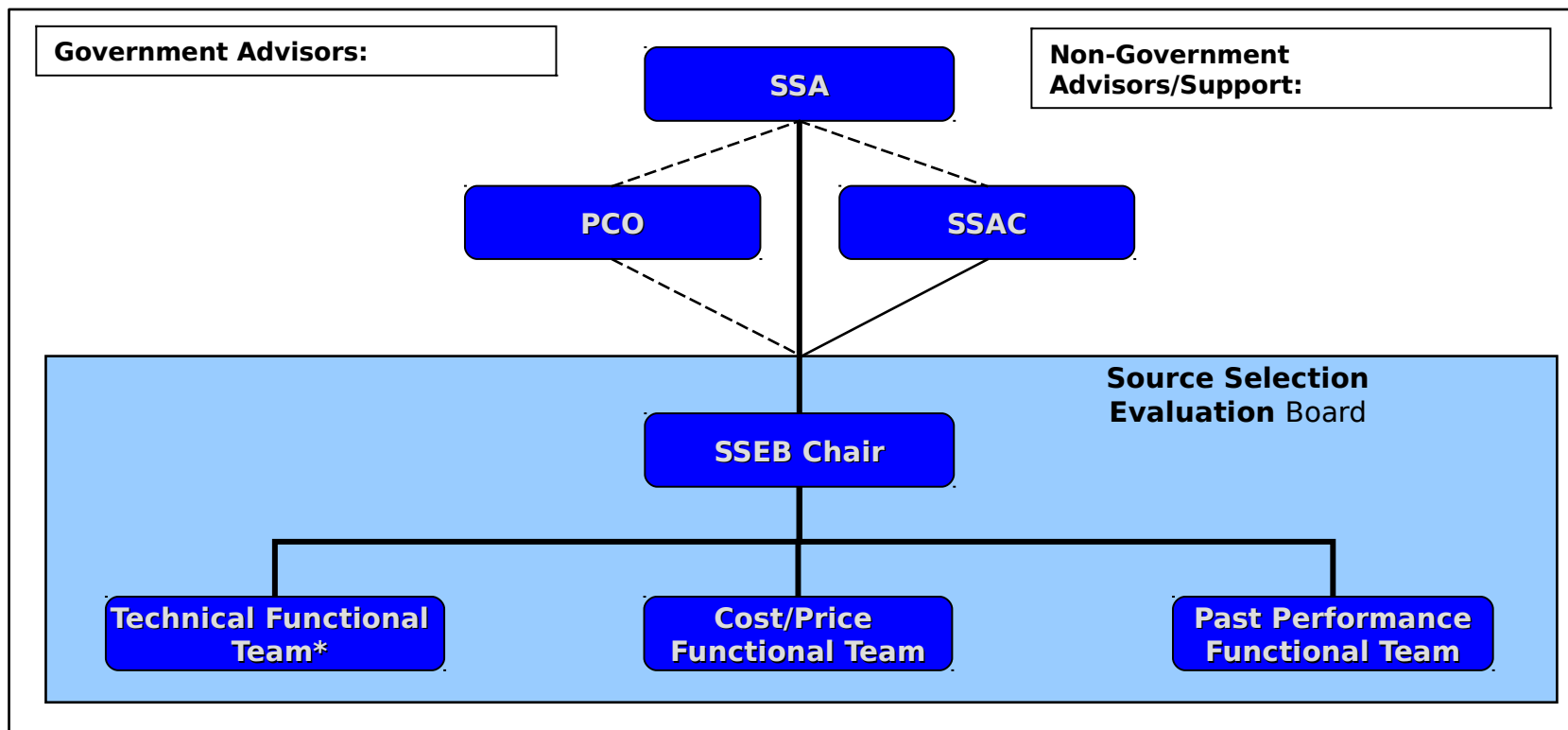
- **Substantially the same as before, but...**

| <b>BEFORE</b>                                                                         | <b>NOW</b>                                                              |
|---------------------------------------------------------------------------------------|-------------------------------------------------------------------------|
| <b>Source Selection Evaluation Team (SSET)</b>                                        | <b>Source Selection Evaluation Board (SSEB)</b>                         |
| <b>Performance Confidence Assessment Group (PCAG) for actions in excess of \$50M.</b> | <b>Past Performance Evaluation Team for actions in excess of \$50M.</b> |
| <b>Technical/ Management Approach Team</b>                                            | <b>No change</b>                                                        |

# Source Selection Organization

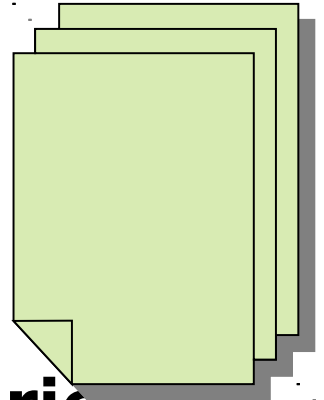
- **The Source Selection Organization includes:**
  - The Source Selection Authority (SSA)
    - Head of the Contracting Activity (HCA) - \$50M or more
    - Head of the Contracting Office (HCO) - \$10M up to \$50M
    - Contracting Officer (CO) – below \$10M
  - The Source Selection Advisory Council (SSAC)
  - Source Selection Evaluation Board (SSEB)/Past Performance Evaluation Team

# Source Selection Organization



\*The term "technical" refers to non-cost factors other than past performance, e.g. technical, management, etc.

- **Source Selection Plan (SSP)**
- **Draft Request for Proposal (RFP)**
- **Request for Proposal (RFP)**
- **Proposals Received**
- **Evaluation Worksheets and Summaries**
- **Competitive Range Determination**
- **Evaluation Notices (ENs) (formerly known as Discussion Items (DIs))**
- **Decision Briefing**
- **Proposal Analysis Report (PAR)**
- **Source Selection Decision Document (SSDD)**
- **Source Selection Debriefing Documents**



# Evaluation Factors

- **DISA source selections shall utilize the following evaluation factors:**
  - Technical/Management Evaluation
  - Past Performance
  - Cost or Price

# Evaluation Factors

- **Technical**
  - Ratings are done at the subfactor level only
  - NO ROLL-UP to the factor level
  - Subfactors are technical in nature, generally limited to 4
- **Past Performance and Cost/Price**
  - Ratings are done at the factor level

# Technical Evaluation Factor

**The color purple has been added to the technical/management evaluation and the definitions for the other color ratings has changed:**

| Technical/Management Ratings |              |                                                                                                                                                                        |
|------------------------------|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Color                        | Rating       | Description                                                                                                                                                            |
| Blue                         | Outstanding  | Proposal meets requirements and indicates an exceptional approach and understanding of the requirements. The proposal contains multiple strengths and no deficiencies. |
| Purple                       | Good         | Proposal meets requirements and indicates a thorough approach and understanding of the requirements. Proposal contains at least one strength and no deficiencies.      |
| Green                        | Acceptable   | Proposal meets requirements and indicates an adequate approach and understanding of the requirements. Proposal has no strengths or deficiencies.                       |
| Yellow                       | Marginal     | Proposal does not clearly meet requirements and has not demonstrated an adequate approach and understanding of the requirements.                                       |
| Red                          | Unacceptable | Proposal does not meet requirements and contains one or more deficiencies and is unawardable.                                                                          |

## Technical Risk Factor

**Risk is considered at the subfactor level and will not be applied at the factor level:**

| BEFORE                                                                                  | NOW                                                                                                          |
|-----------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|
| <b>Risk Assessment of Technical Subfactors<br/>Low/Moderate/High<br/>/ Unacceptable</b> | <b>Risk Assessment of Technical Subfactors<br/>Low/Moderate/High<br/>(Unacceptable rating is eliminated)</b> |

# Technical Risk Rating Definitions Have Changed

| RATING   | DESCRIPTION                                                                                                                                                                                                           |
|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Low      | Has little potential to cause disruption of schedule, increased cost or degradation of performance. Normal contractor effort and normal Government monitoring will likely be able to overcome any difficulties.       |
| Moderate | Can potentially cause disruption of schedule, increased cost or degradation of performance. Special contractor emphasis and close Government monitoring will likely be able to overcome difficulties.                 |
| High     | Is likely to cause significant disruption of schedule, increased cost or degradation of performance. Is unlikely to overcome any difficulties, even with special contractor emphasis and close Government monitoring. |

# Past Performance Confidence Assessment Descriptions Have Changed

| RATING                  | DESCRIPTION                                                                                                                                                                     |
|-------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Substantial Confidence  | Based on the offeror's recent/relevant performance record, the Government has a high expectation that the offeror will successfully perform the required effort.                |
| Satisfactory Confidence | Based on the offeror's recent/relevant performance record, the Government has a reasonable expectation that the offeror will successfully perform the required effort.          |
| Limited Confidence      | Based on the offeror's recent/relevant performance record, the Government has a low expectation that the offeror will successfully perform the required effort.                 |
| No Confidence           | Based on the offeror's recent/relevant performance record, the Government has no expectation that the offeror will be able to successfully perform the required effort.         |
| Unknown Confidence      | No recent/relevant performance record is available or the offeror's performance record is so sparse that no meaningful confidence assessment rating can be reasonably assigned. |

# Cost/Price Evaluation

| BEFORE                                   | NOW                                        |
|------------------------------------------|--------------------------------------------|
| Risk ratings were assigned to Cost/Price | Cost/price risk ratings are no longer used |



# Source Selection Training

- **Personnel nominated to participate in a DISA source selection will receive comprehensive source selection training prior to evaluations**
- **Training will be tailored to the procurement**
- **Generic source selection training slides can be viewed at any time by going to:  
<https://workspaces.disa.mil/gm/folder-1.11.716556>**

# Attachments to the DISA Supplemental Source Selection Procedures

- **Attachment 1: SSP Template Guide**
- **Attachment 2: Section L Guide**
- **Attachment 3: Section M Guide**
- **Attachment 4: Proposal Analysis Report (PAR) Guide**
- **Attachment 5: Past Performance Evaluation Guide**
- **Attachment 6: Source Selection Decision Document Guide**
- **Attachment 7: Performance Price Tradeoff (PPT) Guide**
- **Attachment 8: Oral Presentation Guide**

## Summary

- **DOD has issued their mandatory source selection procedures and DISA has issued supplemental procedures to it.**
- **PLD/DITCO is committed to support of the warfighter and the DISA program and project leaders**
- **We are a team working together!**

**DOD Source Selection Procedures--  
March 2011**

**DISA Supplemental Source Selection  
Procedures--April 2011**

**Both are located at (last item  
displayed):**

**[http://www.ditco.disa.mil/hq/deskbooks  
.asp](http://www.ditco.disa.mil/hq/deskbooks.asp)**